

Message Text

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45

ACTION AGR-08

INFO OCT-01 ARA-06 ISO-00 CIAE-00 COME-00 EB-07 INR-07

LAB-04 NSAE-00 SP-02 STR-01 TRSE-00 CIEP-01 FRB-03

OMB-01 SS-15 NSC-05 L-02 H-01 AF-06 EUR-12 NEA-09

IO-10 /101 W

----- 079443

R 142359Z FEB 75

FM AMEMBASSY GUATEMALA

TO SECSTATE WASHDC 5894

LIMITED OFFICIAL USE GUATEMALA 0888

E.O. 11652: N/A

TAGS: EAGR, ETRD, GT

SUBJECT: COTTON STOCK AND PRICE PROBLEMS

REF: STATE 32744

1. AGATT TODAY DISCUSSED WITH MINISTER OF ECONOMY USG CONCERN AND ANALYSIS OF COTTON MARKETING PROBLEMS DESCRIBED REFTEL. MINISTER PALOMO SAID HE AGREED WITH ANALYSIS BUT NOTED GOG DOES NOT INTERVENE IN COTTON MARKETING OR FINANCE STOCKS. HE SAID COTTON PRODUCERS HAVE ASKED FOR MODIFICATION OF BANKING LAWS TO EASE CREDIT RESTRICTIONS, BUT NOTHING MORE.

2. NATIONAL COTTON COUNCIL SPOKESMAN SAID THERE IS NO REPEAT NO GOG INTERVENTION IN MARKETING, BUT THERE IS POSSIBILITY BANK OF GUATEMALA WILL AGREE TO REFINANCE UNPAID BANK LOAN BALANCES OF COTTON GROWERS HARD HIT BY HIGH COSTS AND LOW RECEIPTS. SPOKESMAN SAID ALTHOUGH CURRENT PRICE IS NOW ABOUT 40 CENT/LB., MUCH GUATEMALAN COTTON WAS SOLD AT 37-CENT AVERAGE. COUNCIL SAYS ALL BUT 80-TO-85 THOUSAND BALES OF TOTAL ANTICIPATED 1974-75 PRODUCTION HAS BEEN SOLD AND THIS REMAINDER SHOULD BE MARKETED BY JUNE. DOMESTIC TEXTILE PRODUCERS, WHO OVER-PURCHASED LAST SEASON (TOTAL LIMITED OFFICIAL USE

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ABOUT 70,000 BALES), HAVE BOUGHT ONLY ABOUT 20-25,000

BALES SO FAR THIS YEAR OF NORMAL 40,000 CONSUMPTION. THEIR
1973-74 STOCKS WERE PRIVATELY FINANCED.
MELOY

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Message Attributes

Automatic Decaptioning: X
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Current Classification: UNCLASSIFIED
Concepts: COTTON, STOCKS (SECURITIES), PRICES, SALES DATA
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Draft Date: 14 FEB 1975
Decaption Date: 01 JAN 1960
Decaption Note:
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Disposition Approved on Date:
Disposition Authority: GolinoFR
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Margaret P. Grafeld
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